UNITED STATES MARINE CORPS
MARINE CORPS INSTALLATIONS COMMAND
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MARINE CORPS INSTALLATIONS COMMAND ORDER 12515

From: Commander, Marine Corps Installations Command (MCICOM)
To: Distribution List

Subj: MANAGING TO PAYROLL

Ref: (a) MCO 12510.2C w/Ch 1
      (b) MCICOMO 5311
      (c) MCICOMO 5311.1

1. <u>Situation</u>

   a. In an age of great financial turmoil, the only
certainty is that resources will continue to dwindle, while
resource and mission requirements will continue to grow. Now
more than ever, it is essential that Commanders take a personal
interest in the execution of their budgets. Because payroll
costs associated with civilian labor comprise 50 percent of the
entire Command's budget, it is incumbent upon the leadership to
take every opportunity to make our labor force as affordable as
it can possibly be.

   b. The concept of Manage to Payroll provides a proven tool
for Commanders to manage resources and identify and realize
areas for significant cost savings through disciplined position
management, position classification, payroll management.
Further, attention by Commander's to the grade composition of
the labor force will reduce grade inflation while also improving
the consistency across series and similar positions.

   c. By increasing the attention paid to the makeup of the
civilian labor force by grade and reducing overstaffs and
overtime costs, Commanders will be more able to create much
needed headroom to ensure they can reallocate existing funds as
required to meet mission requirements.

2. <u>Mission</u>. To fully implement the three tenets of Manage to
Payroll, position management, position classification, and

compensation, at all echelons of the command in order to achieve greater efficiency and economy while also achieving a more balanced workforce in terms of grade, position, and compensation.

3. Execution

    a. Commander's Intent and Concept of Operations. Effective immediately, MCICOM Region Commanders and the Commanders of Marine Corps Base Quantico and Marine Corps Barracks Washington will develop and implement their own Manage to Payroll policy letters in accordance with this directive and the references. At a minimum, the following areas will be discussed in the policies:

        (1) Position Management. Position management requires Commanders to determine the organizational structure and number of civilian billets required to support the tasks and functions of the unit. Commanders must also ensure that an appropriate balance exists in terms of supervisor to employee ratios, and should seek to eliminate overlapping duties and redundancies. Further, excessive layering in terms of the use of deputies and assistants should be abolished. Structure should be reviewed by Commanders on an annual basis to ensure the organizational construct remains a viable means to accomplish the mission.

        (2) Position Classification. Classification authority is inherent in Manage to Payroll authority. In reviewing the structure of their organizations, Commanders are obligated to ensure that all billets align to the organization's mission and that they are classified at the lowest possible level required to achieve the mission. When parity exists between billets with similar duties and titles, there should not be a significant deviation in position in terms of grade. Classifications should be primarily based on primary duties required to be performed on a regular and frequent basis and the level of complexity of those duties. When vacancies occur, Commanders must ensure that the position descriptions are accurate and seek to hire replacements at the lowest possible grade and step. Finally, Commanders must seek to maximize the use of career ladder positions and the Pathways Program as a means to maintain an appropriately structured workforce and allow for career progression to the greatest extent possible.

        (3) Compensation. Financial management is not the sole responsibility of the comptroller. Commanders are required to carefully scrutinize all budget expenditures related to the

2

compensation of employees on a regular basis to ensure they do not exceed budget allocations. Manage to payroll allows individual commanders the flexibility to hire new employees based upon their budget controls. While the Comptroller is required to routinely monitor Full Time Equivalent (FTE) execution, Commanders must understand that one FTE is not equivalent to one billet on the table of organization. As such, the term FTE is not applicable to the Manage to Payroll process. Instead, Commanders must weigh mission requirements against the costs associated with hiring new personnel, to include salary by grade, fringe costs, and locality pay.

b. <u>Tasks</u>

(1) <u>Region/Marine Corps Base Quantico Commanders</u>

a. You are authorized to delegate Manage to Payroll authority to the subordinate Commander/Deputy levels. Such delegation will be made by name and in writing.

b. Ensure those who have been delegated the authority to Manage to Payroll receive training on both Managing to Payroll and position classification from their local Human Resources office. Written classification advisories must be obtained from the servicing Human Resource region prior to any classification decisions being made.

c. Ensure subordinate commanders develop and implement their own Manage to Payroll policies in accordance with this directive and the references.

d. Retain classification authority for all GS 14 and 15 positions.

e. Require the implementation of quarterly Position Management Boards using the guidance contained in reference (b). Such boards should be implemented at all echelons of Command to ensure the conservation of scarce labor resources.
f. Ensure an annual review of all position descriptions is conducted at every echelon of command in conjunction with the performance evaluation cycle.

g. Review the monthly Civilian Hiring Status report on a monthly basis to maintain situational awareness of your overall labor dollar execution status in comparison to vacancies and current staffing by grade. Refer to paragraphs

4a. and 4b. of this order for additional guidance related to the report.

(2) <u>Region/MCBQ Assistant Chiefs of Staff, G-1s</u>

<u>a.</u> In consultation with the Chief Human Resource Officer (CHRO) and Comptroller, serve as the primary point of contact for the Command for all civilian labor issues.

<u>b.</u> Coordinate with the CHRO and Comptroller to ensure the vacancy and fiscal data for the Civilian Hiring Status report is updated no later than the 14th of each month.

<u>c.</u> Submit the Civilian Hiring Status report to MCICOM G-1 (Plans and Policy) and the Region/MCBQ Commander no later than the 15th of each month. Refer to paragraphs 4a. and 4b. of this order for additional guidance related to the report.

<u>d.</u> Assist the Commander in the execution of all performance management tasks, to include the review of all position descriptions on an annual basis in conjunction with the evaluation cycle.

(3) <u>Region/MCBQ Comptrollers</u>. Assist in the completion of the Civilian Hiring Status report by updating all civilian labor funding data elements no later than the 14th of each month.

4. <u>Administration and Logistics</u>

a. <u>Monthly Civilian Hiring Status Report</u>. The monthly civilian hiring status report serves as a tool to assist Commanders in the Manage to Payroll process by providing a snapshot of Table of Organization allowances and on hand populations for both military and civilian personnel, and a snapshot of labor dollar execution to date. Updated monthly through the combined efforts of the G-1 and G-8, the report further breaks out the civilian labor force (General Schedule and Wage Grade personnel) by grade, with salaries, fringe, and locality pay provided for each grade. When considering position management and reviewing the monthly civilian hiring report, Commanders should also carefully scrutinize the report for:

(1) <u>Overstaffs</u>. An overstaff is considered any General Schedule (GS) or Wage Grade (WG) individual who is being paid by the government but is not assigned to a Billet Identification Code (BIC) on the Table of Organization (T/O).

Commanders do not receive funding for overstaffs, nor is it likely that they would receive funding for overstaffs through the mid-year budget review. As such, overstaffs must be identified by Commanders and phased out of the federal pay system as soon as practicable. An annotation must be made on the individual overstaff's position description stating that "The incumbent is authorized to remain in this position for two years before this position will be eliminated." Every overstaff employee must be counseled on the decision to eliminate their position by their immediate supervisor, who should sign and date the position description to indicate when the counseling took place.

(2) <u>On hold billets</u>. Managing to payroll allows each Commander the flexibility to determine which billets on the T/O are unaffordable and will remain vacant or be deleted or will be used to compensate for new billets on the Table of Organization. These billets should be annotated in the remarks section of the monthly hiring report. Additionally, each Comptroller should be aware of the potential for on hold billets to undermine the Command's ability to execute its FTE allocation.

(3) <u>Critical shortfalls by cost code</u>. The hiring status report also provides Commanders with the ability to track labor shortfalls by cost code. In many cases, such critical labor shortages further exacerbate budget shortfalls since the existing workforce is too small to accomplish mission essential tasks under normal work week schedule constraints. As a result, in order to ensure mission essential tasks are completed, Commanders must pay then pay overtime for the existing understaffed workforce, which then limits the amount of funds available to hire new employees. Overtime expenditures contribute to the over execution of labor budget funds and under execution of FTEs.

(4) <u>Hiring actions</u>. Vacancies and hiring action totals must be compared from month to month to ensure that progress is being made in the hiring process, particularly for critical shortfall areas. Hiring actions should be considered by cost code to determine if additional resources should be diverted from other areas to pay for the costs associated with hiring critical fills.

(5) <u>Overall Grade Balance</u>. The conversion from the National Security Personnel System (NSPS) resulted in a significant level of grade inflation for those civilian

employees affected by the change. As a result, the Command's labor force is unbalanced, with a disproportionate number of employees classified as General Schedule (GS) 13s and 14s. Over the next several years, the Command will seek to rebalance the labor force to the greatest extent possible through strategic workforce planning and by ensuring that new employees enter into their positions at the lowest grade and step possible to allow for both competitive hiring and career progression. Commanders are highly encouraged to implement career ladder positions when at all possible.

 b. The MCICOM Headquarters G-1 will collate the reports into one spreadsheet by the 17th of each month, and will forward it to the G-8 for verification of the budget data. The Headquarters comptroller will then have two days to validate the report. The MCICOM Headquarters leadership will receive the report with data from the three regions, Marine Corps Base Quantico, and Marine Corps Barracks Washington by the 25th of each month, along with analysis related to trends and anomalies.

5. <u>Command and Signal</u>. This policy is applicable to all Marine Corps Installations Commands, to include Marine Corps Base Quantico.

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